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FROM AIT KAOHSIUNG BRANCH OFFICE

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SUBJECT: Southern Taiwan Reaction to Anti-Secession Law:  
Strong Political but Moderate Business/Academic Response

Summary

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11. (SBU) In the political heartland of Taiwan's independence movement, Southern Taiwan political leaders have reacted strongly to Beijing's passage of the "Anti-Secession Law" (ASL), with Acting Kaohsiung City Mayor, Chen Chi Mai and Kaohsiung County Magistrate Yang Chiu-hsing taking leading roles in mobilizing participants for the upcoming March 26 rally in Taipei. Local business leaders have been much more muted in their response. While none are happy with the law, most do not expect a major impact on business. Local academics likewise are uniformly unhappy with the law. Thus far, however, the ASL has had no noticeable impact on cross-Straits academic exchanges. End Summary.

12. (SBU) Southern Taiwan's reaction to Beijing's passage of the ASL has been uniformly negative, but thus far it appears to have had little effect outside of the political arena. Local politicians and pro-independence groups have denounced the ASL and urged followers to join political protests. However, the local business and academic communities thus far do not anticipate the ASL will have a major impact on cross-Straits business and academic ties. Given that Southern Taiwan is the heartland of the pro-independence movement as well as the political base of the ruling Democratic Progressive Party (DPP) and Taiwan Solidarity Union (TSU), the overall negative reaction is not unexpected.

Southern Taiwan Politicians Protest ASL

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13. (SBU) Southern Taiwan political leaders reacted strongly and swiftly to Beijing's passage of the ASL. The day of the ASL passage, Acting DPP Kaohsiung Mayor Chen Chi-Mai, who is close to President Chen, coordinated a protest letter signed by all of Southern Taiwan's Magistrates and Mayors, including one KMT and one independent Magistrate. Several Northern Taiwan officials also signed onto the protest letter, including Tao Yuan Magistrate Chu Li-lun, a member of the opposition KMT. The statement entitled "Safeguarding Democracy and Peace, Opposing Military Annexation: An Objection to China's Secession Law" was published in English in the Taipei Times (one of the major local English papers). The published protest letter, with signatures of all the Mayors and Magistrates, did not carry a by-line, but Kaohsiung Mayor Chen's office informed to AIT/K that Chen had initiated the document.

14. (SBU) All of the Southern Taiwan DPP Magistrates and Mayors are also actively urging supporters to participate in the March 26 protest planned in Taipei. At a press conference the day following passage of the ASL, Kaohsiung Mayor Chen urged all people, and specifically Taipei KMT Mayor Ma Ying-jeou, to participate in the protest rally scheduled for 26 March. Mayor Chen, along with Kaohsiung's DPP leadership, is working vigorously to mobilize participants for the rally, with the goal of filling 276 forty-passenger buses. The Mayor's office itself has committed to filling forty of the 276 buses.

15. (SBU) Kaohsiung County's DPP Magistrate, Yang Chiu-hsing, has also been publicly active to promote the protest rally. On March 15 Yang held a press conference to protest China's "unilateral change to the status quo." He has urged all Kaohsiung County government employees to attend the March 26 rally and asked them to help mobilize others to join. Yang emphasized that the event is important not only to send a message to China, but also to communicate Taiwan's reaction to the international community. Kaohsiung County's goal is to mobilize 130 forty-passenger buses for the March 26 event.

Local Businessmen See No Impact on Cross-Straits Interests

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16. (SBU) Reaction among Southern Taiwan's business

community to the ASL has also been mostly negative. However, most business leaders do not anticipate the ASL will have a negative impact on their interests. Secretary General of Kaohsiung's Importers and Exporters Association, almost all the members of which have Mainland China operations, told AIT/K that no Association members were likely to close or move their operations out of China despite the negative reaction to the ASL. A few, he had heard, might look to other regional locations for future investments should they feel the risks in Mainland China are rising. He cited one of his members, a Taiwanese carton manufacturer who had operations in Suzhou, Jiangsu Province, had just returned from China to Taiwan and told him that all the local Chinese people he had spoken to in recent days had been completely ignorant of the whole ASL issue. As in Taiwan, he said, local Chinese people are mainly focused on making a living rather than politics.

17. (SBU) While other Southern business leaders also said they expected no major impact on cross-Strait business, they expressed support for the March 26 rally in order to "send a strong message to China." Few local businesspersons have told AIT/K they plan to participate in the March 26 rally, however. An exception is the Taiwan Deep Sea Tuna Boat Owners and Exporters Association. Association President Wang Shun-long said he will lead a delegation of members to join the rally. Wang added however that his Association had taken note of Chinese Premier Wen Jiabao's proposal to allow Chinese fishermen to work on Taiwan's fishing fleet, an initiative that his Association would welcome.

18. (SBU) Local business leaders in Southern Taiwan's services industries are concerned that heightened cross-Strait tensions could impact investment and tourism in Taiwan. However, most believed the ASL and Taiwan's response would create a temporary period of tension that would ease up quickly. Kaohsiung Architecture and Investment Association President, Kuo Min-neng, told AIT/K that he believed the ASL marked a rock bottom point in cross-Strait relations and that, in particular, apprehension leading up to ASL passage had adversely impacted Taiwan's investment climate. However, Kuo did not believe things would get any worse and that investors would quickly calm down and return to the market.

19. (SBU) Likewise, CEOs from Lucite, China Petrochemical Development Corporation, Lyondell, Taiwan Chlorine Industries Ltd., and Ho Tung Chemical Co., Ltd., all told AIT/K that they did not expect the ASL to have a serious impact on business. Despite the political rhetoric, they did not see an increased risk of war. They believed the initial drop in the Taiwan stock indexes had been very predictable, simply created a buying opportunity for those with ready cash, and would quickly rebound. At a regular meeting of Kaohsiung's American Chamber of Commerce, members were vocal in criticism of Beijing's passage of the ASL, but all agreed it would have no impact on their companies' operations or plans, either in Taiwan or in Mainland China. Several noted that the ASL was meaningless as it simply restated Beijing's long-held positions and, in any event, they believed Beijing would take action toward Taiwan in whatever fashion it deemed appropriate, with or without an ASL.

Academics - Unhappy with ASL, but Impact Likely Minimal

10. (SBU) As with business leaders, Southern Taiwan academics told AIT/K they and all their colleagues are uniformly unhappy and angry about Beijing's passage of the ASL. They noted that student reactions, however, were mixed with more politically active students having very strong negative reactions, but the majority relatively indifferent. Earlier this week, forty students at National Sun Yat-Sen University (NSYSU) staged a protest at the school and burned a PRC flag. Small groups of students at other universities in Kaohsiung and neighboring Kaohsiung and Pingtung Counties have announced plans for a protest rally on March 20 at the Kaohsiung Cultural Center, site of the March 6 TSU protest against the ASL. However, professors at NSYSU told AIT/K that most students remained apolitical, in part because of "burn-out" from Taiwan's contentious political campaigns and debates.

11. (SBU) Political Science Professor Liao Da-chi, who is a well-known and frequent television political commentator, told AIT/K that she is angry about the passage of the ASL which she sees as an unnecessary slap at Taiwan. Liao, a "mainlander" who is a strong KMT supporter and activist, noted that even Pan Blue supporters in the South who were realistic about eventual reunification, such as herself, were unhappy with the ASL. While she believed it would significantly increase negative feelings toward China among the Taiwan population, she did not expect it to set off a downward spiral in cross-Strait relations and will likely calm down after a month or two, provided Taiwan reacts in

measured fashion.

112. (SBU) Another NSYSU Professor, Kuo Chih-Wen, who is a pro-TSU activist and member of the Southern Taiwan Society expressed a much stronger negative reaction. He said that he and other "pro-independence" colleagues are fuming mad about the ASL and are demanding a strong response from the Taiwan Government. However, he said that few of his "deep-Green" associates planned to attend the March 26 rally as it is too far away and many question its potential to have any impact. He added that he does not believe President Chen should lead the rally, in order to retain flexibility for the government to respond, but he expected Chen would at least greet the protestors. Kuo said the most important thing for President Chen was to raise the issue to the international community, especially the U.S., and ensure a strong international condemnation of Beijing's actions. Nevertheless, Kuo agreed with his colleagues that the ASL would not likely have a lasting impact and that tensions surrounding it would likely subside in a few months. After all, he noted, nothing in the basic situation had actually changed - "Taiwan was an independent country and Beijing had no jurisdiction." China was a major threat to Taiwan's democratic system and sovereignty before the ASL and continues to be so.

Cross-Strait Academic Exchanges - Business As Usual

113. (SBU) The International Affairs Office of NSYSU told AIT/K that the school had thus far received no orders from education authorities to cancel, suspend or slow any cross-Strait educational exchange programs. They noted that plans were going ahead for two academic delegations from the Mainland to visit National Sun Yat-Sen University in late March. The two groups include eight members from Sun Yat-Sen University in Guangzhou and 45 participants from Shanghai University of Finance and Economics. The Guangzhou group had been invited to Taiwan by Shih Chien University, a private university located in Taipei, but would also visit NSYSU on March 31. The Shanghai University of Finance and Economics Group was sponsored by the Taichung-based Feng Chia University and involved 40 students and five teachers from the music program of the school who would perform folk music throughout Taiwan campuses. The group is scheduled to perform at NSYSU on March 24. Separately, the National Kaohsiung University is also moving forward to implement a new MBA program in Kinmen, Taiwan, to provide classes to Taiwan businesspersons in Mainland China, via the "mini three links" (see septel).

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